

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES  
PRIORITY MAIL CONTRACT 203 (MC2016-110)  
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2016-138

**USPS NOTICE OF AMENDMENT TO  
PRIORITY MAIL CONTRACT 203, FILED UNDER SEAL**  
(June 8, 2018)

The Postal Service hereby provides notice that prices and terms under Priority Mail Contract 203, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail Contract 203 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective two business days after the day that the Commission completes its review of this filing.

The Postal Service is also filing supporting financial documentation and a certified statement as required by 39 C.F.R. § 3015.5. The certified statement required by 39 C.F.R. § 3015.5(c)(2) is provided in Attachment B. A redacted version of the supporting financial documentation is included with this filing as a separate Excel file. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Elizabeth A. Reed

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[Elizabeth.A.Reed@usps.gov](mailto:Elizabeth.A.Reed@usps.gov)  
June 8, 2018

**ATTACHMENT A**

**REDACTED AMENDMENT TO PRIORITY MAIL CONTRACT 203**

**AMENDMENT #3  
OF  
SHIPPING SERVICES CONTRACT  
BETWEEN  
THE UNITED STATES POSTAL SERVICE  
AND  
[REDACTED]  
REGARDING  
PRIORITY MAIL SERVICE**

WHEREAS, the United States Postal Service (the “Postal Service”) and [REDACTED] (“Customer”) entered into a Shipping Services Contract, Priority Mail Contract 203, Docket No. CP2016-138 regarding Priority Mail Service on March 18, 2016.

WHEREAS, the Parties desire to amend the terms in Section I.E (including Table 1), and Section I.K of the Contract.

NOW, THEREFORE, the Parties agree that the contract is hereby amended as detailed below. The existing contract remains unchanged in all other respects. This amendment shall become effective two (2) business days following the day on which the Commission issues all necessary regulatory approval.

[Replace Sections I.E (including Table 1) and I.K in their entirety, as follows.]

**I. Terms**

- E. PPMOD Unit Load Prices. From the effective date of this Amendment, Customer will pay the applicable prices shown in Table 1 below, until the first change in published Priority Mail Commercial Plus prices in Calendar Year 2019.

**K. Annual Adjustment**

1. Beginning on the date of the first change in Priority Mail Commercial Plus prices in Calendar Year 2019, customized PPMOD prices (in Table 1) will increase by the most recent average increase in prices of general applicability, as calculated by the Postal Service, for Priority Mail Commercial Plus.

2. Customized prices for Priority Mail Contract Packages will be calculated by applying the appropriate tier discounts in Tables 4 and 5 to the prevailing Priority Mail Commercial Plus prices throughout the term of the Contract.
3. Customized prices will be calculated by the Postal Service and rounded up to the nearest whole cent. (Example: \$5.99000000001 = \$6.00). If the Postal Service maintains or decreases published rates of applicability for Priority Mail Commercial Plus, there shall be no change to the PPMOD Contract pricing for that Contract Year.

IN WITNESS WHEREOF, the Parties hereto have caused this amendment to be duly executed as of the later date below:

UNITED STATES POSTAL SERVICE

Signed by: **Dennis R. Nicoski** Digitally signed by Dennis R. Nicoski  
DN: cn=Dennis R. Nicoski, o=United States Postal Service, ou=A/Senior  
Vice President Sales and Customer Relations,  
email=dennis.r.nicoski@usps.gov, c=US  
Date: 2018.05.07 18:46:13 -0400

Printed Name: Dennis Nicoski

Title: Senior Vice President, Sales and Customer Relations

Date: \_\_\_\_\_

**ATTACHMENT B**  
**SIGNED CERTIFICATION**

## **Certification of Prices for Amendment to Priority Mail Contract 203**

I, Steven R. Phelps, Manager, Regulatory Reporting and Cost Analysis, Finance Department, am familiar with the prices and terms for the amendment to Priority Mail Contract 203. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 11-6).

I hereby certify, based on the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

**Steven  
Phelps**

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Steven R. Phelps

Digitally signed by Steven Phelps  
DN: cn=Steven Phelps, o=Pricing and  
Costing, ou=Pricing,  
email=steven.r.phelps@usps.gov,  
c=US  
Date: 2018.06.08 14:08:10 -04'00'